

Message Text

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P R 230354Z DEC 77
FM AMEMBASSY NEW DELHI
TO USDOC WASHDC PRIORITY
INFO SECSTATE WASHDC 8218
AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS

UNCLAS SECTION 1 OF SECTION 2 NEW DELHI 18321

E.O. 11652: N/A
TAGS: BENC, IN
SUBJECT: MAJOR PROJECT: SUGAR MILLS

REF: (A) STATE 296145; (B) CALCUTTA 2657

1. SEVEN INDIAN COMPANIES MANUFACTURE SUGAR MILL MACHINERY, AS LISTED BELOW. THEY NORMALLY PRODUCE SUGAR MILLS RATED AT 1,250 METRIC TONS PER DAY (MTD) CANE CRUSHING CAPACITY, BUT MOST OF THEM POSSESS TECHNOLOGY TO DESIGN AND PRODUCE 200-400 MTD MINI MILLS.

2. WALCHANDNAGAR INDUSTRIES LIMITED (WIL), BOMBAY IS A MAJOR PRODUCER OF SUGAR MILL MACHINERY OF 1250 MTD CAPACITY AND ABOVE AND IS RATED A LEADER IN THE FIELD. IT HAS SUPPLIED A LARGE NUMBER OF MILLS IN INDIA AND HAS ALSO EXPORTED THEM ON "TURNKEY" BASIS TO MALAYSIA, INDONESIA AND TANZANIA (PROJECT IN PROGRESS). WIL EXECUTIVES INFORMED AMCONSUL BOMBAY THAT THE FIRM HAS NOT YET PRODUCED 200-400 MTD SUGAR MILLS, THOUGH IT POSSESSES CAPABILITY TO PRODUCE THEM WITHIN SHORT LEAD TIME. WIL HAS RECEIVED INQUIRIES FROM ENGINEERING CONSULTANTS IN HOLLAND AND ENGLAND AND IS ALSO AWARE OF POTENTIAL BUSINESS PROSPECTS IN INDONESIA AND IN EAST AFRICAN COUNTRIES. FIRM'S MANAGEMENT IS UNCLASSIFIED

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SERIOUSLY CONSIDERING TAKING UP PRODUCTION OF MINI MILLS IF SUFFICIENT DEMAND ARISES. WILL IS INTERESTED IN RECEIVING BUSINESS OFFERS. FIRM ALSO MANUFACTURES CEMENT MACHINERY, MARINE GEARS, NUCLEAR POWER EQUIPMENT AND CHEMICAL PLANTS. WIL'S HEADQUARTERS ARE LOCATED AT CONSTRUCTION HOUSE, WALCHAND HIRACHAND MARG, BALLARD ESTATE, BOMBAY 400001. CONTACT: C.S. SHAH, DEPUTY GENERAL MANAGER.

3. K.C.P. LIMITED (KCP), 38 MOUNT ROAD, MADRAS 600002, IS ALSO A LEADING AND REPUTABLE MANUFACTURER OF SUGAR MILL MACHINERY OF 1,250 MTD AND ABOVE. KCP'S MANAGING DIRECTOR, V.L. DUTT, INFORMED AMCONSUL MADRAS THAT HIS FIRM WAS WILLING TO PRODUCE SUGAR MILLS OF 200 TO 400 MTD CAPACITY. IN ADDITION, KCP MANUFACTURES CEMENT PLANTS, CHEMICAL MACHINERY, GRAY IRON CASTINGS, RUBBER MAKING MACHINERY, MACHINE TOOLS, WATER TUBE BOILERS AND POLLUTION CONTROL EQUIPMENT. THEY ALSO REFINE SUGAR AND PRODUCE PORTLAND CEMENT. KCP'S SUBSIDIARY, EIMCO-K.C.P. LIMITED, MANUFACTURES FILTRATION AND SEDIMENTATION EQUIPMENT IN COLLABORATION WITH EIMCO CORPORATION, SALT LAKE CITY, UTAH. CONTACT: V.L. DUTT., MANAGING DIRECTOR.

4. TRIVENI ENGINEERING WORKS LIMITED, NEW DELHI, IS ANOTHER WELL-KNOWN AND REPUTED MANUFACTURER OF COMPLETE RANGE OF SUGAR MILL MACHINERY. IT PRODUCES LARGE MILLS OF 1,250 MTD AND ABOVE. THE BIGGEST MILL PRODUCED BY TRIVENI IS OF 5,000 MTD AND SMALLEST SO FAR QUOTED ABROAD IS OF 800 MTD. FIRM'S R AND D CELL HAS DESIGN AND BACK-UP ENGINEERING CAPABILITY TO PRODUCE PLANTS OF ANY CAPACITY. TRIVENI WILL NOT DESIGN 200-400 MTD CAPACITY MILLS UNLESS THERE IS DEFINITE SIZEABLE DEMAND. FIRM IS WELL AWARE OF TRADE OPPORTUNITIES IN INDONESIA, MALAYSIA, KENYA, NIGERIA, TRINIDAD, BANGLADESH AND OTHER COUNTRIES, AND HAS SECURED SEVERAL CONTRACTS. TRIVENI'S TECHNICAL COLLABORATION AGREEMENT WITH FLETCHER AND STEWART, DERBY, ENGLAND, FOR THE UNCLASSIFIED

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PRODUCTION OF SUGAR MILL MACHINERY EXPIRED RECENTLY. ADDITIONALLY THE FIRM HAS LICENSING ARRANGEMENTS WITH THE FOLLOWING COMPANIES: (A) STOCKDALE ENGINEERING LIMITED, CHESHIRE, ENGLAND FOR FILTRATION EQUIPMENT; (B) PETER BROTHERHOOD LIMITED, PETERBOROUGH, ENGLAND FOR STEAM TURBINES; AND (C) SOCIETE SUCRIERE DE LATTANTIQUE, PARIS, FRANCE FOR CANE DIFFUSERS AND DEWATERING DEVICES. TRIVENI HAS TWO MORE LICENSING AGREEMENTS UNDER NEGOTIATIONS WITH THE FOLLOWING BRITISH COMPANIES: ANDREW FRASER AND COMPANY LIMITED, CAMBRIDGE FOR HYDRAULIC PUMPS, VALVES AND POWER PACKS; MIRLEES PUMPS LIMITED FOR POSITIVE DISPLACEMENT PUMPS AND BLENDING SYSTEMS. TRIVENI'S SUGAR MILL AT KHATAULI CRUSHES 2300 METRIC TONS OF CANE PER DAY. FIRM'S CURRENT ANNUAL TURNOVER IS DOL\$30 MILION. TRIVENI'S HEAD OFFICE IS LOCATED AT KAILASH BUILDING, 26 KASTURBA GANDHI MARG, NEW DELHI 110001. CONTACT: R.S. IYENGAR, EXPORT MANAGER.

5. INDIAN SUGAR AND GENERAL ENGINEERING CORPORATION (ISGEC), PARAS CINEMA BUILDING, NEHRU PLCE, NEW DELHI 110024: A LARGE AND REPUTED COMPANY, ISGEC MANUFACTURES SUGAR MILL MACHINERY OF 1,250 MTD CAPACITY AND ABOVE. THE FIRM DESIGNED AND PRODUCED A 100 MTD PLANT, INCLUDING BOILER, FOR THE NATIONAL SUGAR INSTITUTE OF INDIA. ISGEC CLAIMS TO HAVE ADEQUATE TECHNOLOGY TO

PRODUCE 200-400 MTD MILLS IF SUFFICIENT DEMAND FOR SUCH EQUIPMENT ARISES. THE FIRM'S TECHNICAL COLLABORATION FOR THE MANUFACTURE OF SUGAR MILLING FANDEMNIS WITH FARREL CORPORATION, ANSONIA, CONNECTICUT, EXPIRED IN JULY 1976. ISGEC REGULARLY RESPONDS TO FOREIGN TENDER INQUIRIES. RECENTLY, IT HAS EXPORTED SUGAR MILL MACHINERY TO UGANDA AND KENYA. ALSO IT HAS SUPPLIED TWO BOILERS OF 60 TONS PER HOUR CAPACITY TO A SUGAR PROJECT AT KHEDA, MALAYSIA AND TWO BOILERS OF 25 TONS PER HOUR CAPACITY TO A SUGAR MILL IN KENYA. ISGEC MANUFACTURES BOILERS UNDER LICENSE FROM CLARK CHAPMAN OF ENGLAND. THE GROUP'S ANNUAL SALES IS DOLS 35 MILLION. THE FIRM IS INTERESTED IN RECEIVING BUSINESS OFFERS. CONTACT: SARABJIT SINGH, BRANCH MANAGER.

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P R 230354Z DEC 77
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AMCONSUL CALCUTTA
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6. TWO OTHER SUGAR MACHINERY MANUFACTURERS ARE: LARSEN AND TOUBRO LIMITED, NAROTTAM MORARJEE MARG, BALLARD ESTATE, BOMBAY 400038, AND BUCKAU WOLF NEW INDIA ENGINEERING WORKS LIMITED, PIMPRI, POONA. WHILE THE FORMER MANUFACTURES ONLY DIFFUSERS FOR SUGAR MILLS, THE LATTER IS A PRODUCER OF COMPLETE MILLS. ACCORDING TO OUR INFORMATION, BUCKAN WOLF SUPPLIES LARGE MILLS (1,250 MTD AND ABOVE) AND HAS NOT UNDERTAKEN PRODUCTION OF SMALL UNITS.

7. THROUGH REF. B CALCUTTA HAS ALREADY SUBMITTED DETAILED INFORMATION ON TEXMACO.

8. COMMENT: INDIAN SUGAR MILL MACHINERY PRODUCERS SEEMINGLY ARE WELL AWARE OF THE OVERSEAS BUSINESS POTENTIAL IN MINI MILL CATEGORY. NEVERTHELESS, THEY ARE UNCERTAIN WHETHER THE FUTURE DEMAND FOR SUCH EQUIPMENT WILL JUSTIFY THE EXPENSE INVOLVED IN DEVELOPING SUCH A MILL. THE ECONOMICS OF MINI PLANTS IN TERMS

OF PRODUCTION PROCESS AND USE OF ENERGY IS YET TO BE
ESTABLISHED. UNLIKE SMALL CEMENT PLANTS WHICH
HAVE SOME SALES PROSPECTS IN INDIA, MINI SUGAR MILLS HAVE NO
MARKET HERE, THUS MAKING EQUIPMENT PRODUCERS ENTIRELY DEPENDING
ON EXPORT ORDERS.

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9. BROCHURES AND DESCRIPTIVE LITERATURE ON WALCHANDNAGAR, KCP,
TRIVENI AND ISGEC ARE BEING AIRPOUCHED TO USDOC, MEPD, PHIL-
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